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Foreign Agriculture Circular

Coffee

World Coffee Situation

FCOF 2-86
July 1986

WORLD COFFEE SITUATION

SUMMARY AND OUTLOOK

The first USDA estimate of 1986/87 world coffee production, based on conditions to June 1, 1986, is 82.9 million bags, down 14 percent from the revised 1985/86 figure 1/. Exportable production--total harvested production less domestic consumption in producing countries--is estimated at 73.2 million bags.

Brazil, the world's largest producer, is expected to harvest a crop of only 16.5 million bags, half the amount of last year. As a result, world coffee prices rose dramatically in late 1985 and early 1986, pushed up because of uncertainty about future availability. The return of favorable weather, the accumulation of adequate reserve stocks by roasters, and desertion of the market by speculators and hoarders sent the market price into a decline which has not reversed despite the possibility of a frost in Brazil this year.

USDA believes coffee production is currently on an upward trend, while world consumption is stagnant because of changing beverage preferences.

World coffee stocks will be drawn down by about 8 million bags during coffee year 1986/87, but should remain more than adequate at around 35 million bags, nearly 40 percent of apparent annual world consumption. No further drawdown should occur during 1987/88, unless there is some damage from frost in Brazil in mid-1986.

U.S. imports of green coffee began to rise in December 1985, reaching record levels in January 1986. Imports for the first 5 months of 1986 were 20 percent higher than for the same period in 1985. A portion of these imports have been stocked since domestic roastings have declined by 5 percent.

1/ Unless indicated otherwise, production and trade figures are given in terms of 60 kilogram bags (132.276 lbs.). Area is given in hectares (2.471 acres). GBE means "green bean equivalent".

PRODUCTION

USDA coffee production estimates for 1985/86 and 1986/87 by region in 1,000 60-kilogram bags are as follows:

Region	Revised 1985/86	Forecast 1986/87
North and Central America and the Caribbean	15,307	17,070
South America	49,816	33,825
Africa	20,947	21,213
Asia	9,498	9,921
Oceania	879	906
Total	96,447	82,935

In 1986/87, about 56.6 million bags, 68.3 percent of production, will be Arabica, down from 72.0 million bags, 74.6, percent, of the 1985/86 crop. The sharp reduction in Arabica production represents the effects of the drought in Brazil. Greater output in Robusta-producing countries over the past 25 years has come through an enlargement in the area planted. In contrast, the amount of land devoted to Arabica has been relatively stable with any growth in output due to the increasing density of higher yielding, more disease resistant varieties.

WORLD COFFEE PRODUCTION
(1,000 60-kg. bags)

Crop Year	Arabica	Robusta	Other	Total
1960/61	52,415	12,719	235	65,369
1961/62	64,125	11,562	248	75,935
1962/63	53,461	14,066	253	67,780
1963/64	49,005	16,069	245	65,320
1964/65	38,407	13,978	256	52,641
1965/66	65,646	16,226	265	82,137
1966/67	47,856	15,210	267	63,333
1967/68	52,974	17,869	268	71,112
1968/69	44,807	18,152	267	63,226
1969/70	51,033	18,285	274	69,592
1970/71	41,570	17,550	258	59,378
1971/72	55,087	17,941	252	73,280
1972/73	57,270	19,746	221	77,237
1973/74	46,095	19,387	228	65,710
1974/75	63,146	19,302	245	82,693
1975/76	55,509	17,305	249	73,062
1976/77	42,944	17,885	238	61,067
1977/78	54,406	16,089	201	70,696
1978/79	59,888	18,884	206	78,978
1979/80	62,270	19,292	227	81,789
1980/81	63,264	22,760	237	86,261
1981/82	75,216	22,734	239	98,189
1982/83	59,342	22,338	237	81,917
1983/84	71,127	17,122	246	88,495
1984/85	65,454	26,061	252	91,767
1985/86	72,121	24,071	255	96,447
1986/87	56,800	25,859	276	82,935

World coffee consumption, measured in domestic use in producing countries plus exports, is believed to have declined by 5.7 million bags between 1984/85 and 1985/86. Consumption in Brazil may have fallen the most, by 2 million bags, as domestic buyers no longer are protected from international market prices.

Although domestic use in producing countries plus exports is not a perfect indicator of consumption inasmuch as exports can be stocked, the combination shows the following trend for a 10-year period through 1986/87 in million of bags.

WORLD COFFEE CONSUMPTION
(million 60-kg. bags)

Crop year	Domestic Use	Exports	World Consumption
1977/78	18.8	48.8	67.6
1978/79	19.5	64.6	84.1
1979/80	20.0	62.0	82.0
1980/81	20.6	59.9	80.5
1981/82	21.2	64.8	86.0
1982/83	20.8	64.9	85.7
1983/84	21.2	68.2	89.4
1984/85	23.6	72.4	96.0
1985/86	21.9	68.4	90.3
1986/87	21.4	69.3	90.7

EXPORTS

World coffee exports are expected to decline by 4.0 million bags to 68.4 million bags during crop year 1985/86, then rise to 69.3 million in 1986/87. Global exports reached a historical peak in 1984/85 at about 72.6 million bags. The breakdown in exports among members and non-members of the International Coffee Organization (ICO) by marketing years is projected as follows in millions of bags, GBE:

Exporters	Importers								
	1984/85			Estimated 1985/86			Forecast 1986/87		
	Member:	Non-:	Total	Member:	Non-:	Total	Member:	Non-:	Total
	:Members:	:	:	:Members:	:	:	:Members:	:	:
	:	:	:	:	:	:	:	:	:
Members.....	60.9	11.2	72.2	60.7	7.5	68.2	60.2	8.9	69.1
Non-Members:	.2	.1	.3	.1	.1	.2	.1	.1	.2
	:	:	:	:	:	:	:	:	:
Total.....	61.1	11.3	72.4	60.8	7.6	68.4	60.3	9.0	69.3
	:	:	:	:	:	:	:	:	:

Coffee exports to ICO non-members rose steadily from the reintroduction of quotas in coffee year 1980/81 through 1984/85. Many non-member sales in early 1985/86 were negotiated before the suspension of quotas for the year. Since suspension there has been little incentive to export to non-members at discount prices, such sales have tapered off as indicated by the following data from the ICO.

COFFEE EXPORTS BY ICO MEMBERS
TO MEMBERS AND NON-MEMBERS
OCTOBER-APRIL 1980/81 TO 1985/86
(million bags)

Coffee year	To Members	To Non-Members	To All Destination
1980/81.....	31.2	4.1	35.3
1981/82.....	32.4	4.5	36.9
1982/83.....	32.2	5.4	37.6
1983/84.....	33.9	5.1	39.0
1984/85.....	32.1	6.7	38.8
1985/86.....	36.6	4.1	40.7

SOURCE: International Coffee Organization

Table 6 shows exports for the first eight months of the past six coffee years. Exports of Other Milds and Colombian Milds were at record levels while Brazilian and other Arabicas and Robustas were not. Brazilian sales are down because of the drought. Robusta producing countries, in general, were not able to take advantage of the ICO quota suspension because of late harvests or transport problems.

Brazil's 1986/87 coffee crop will include a record output of conillons (Robustas). Other Robusta producers, led by the Ivory Coast, have expressed grave concern that increased sales of Brazilian conillons on the international market would depress the market price for Robustas. Brazilian officials have indicated that they would limit conillon exports from the 1986/87 harvest to 1.5 million bags so as not to not interfere with the normal marketing of African Robustas. The balance would go into the manufacture of solubles and for domestic consumption.

MARKET PRICES

Speculation that there would be a significantly smaller supply of coffee available as a result of the Brazilian drought led to a sharp rise in the market price for green coffee beginning in October 1985. The initial jump was based on roaster buying. Prices were pushed up further when hoarders, speculators and commodity funds entered the market. The decline began when weather conditions improved in Brazil, suggesting that long term losses from the 1985 drought might be minimal. The decline accelerated when commodity funds managers and speculators withdrew from the market and roasters came to believe they held adequate stocks against possible future shortages.

Market prices now have fallen more than many producing countries believe are justified in view of a possible frost in Brazil and the near-to medium-term supply situation. Most concerned are the countries which withheld sales waiting for even higher prices. They remain optimistic that prices will go up again and that the higher level will extend into 1987 and beyond.

Higher returns from coffee will offset the lower-than-anticipated sales volume of some producing countries, helping them to avoid balance of payments problems. However, the price bonanza may be less than expected if coffee was sold before prices began to rise.

Robusta producers have expressed concern over the wide price differential between their coffees and the Arabicas. Historically, Arabicas have held a premium over Robustas of about 10 percent. The price differential between Other Milds and Robustas recently reached 70 cents per pound, about 30 percent.

Many coffee experts had expected world prices to remain above the \$1.30 average registered by the ICO's composite indicator price (CIP) over the last few years, due to the Brazilian drought. However, barring a frost in Brazil, the CIP appears headed for the pre-drought level, perhaps because world supplies still exceed demand by a wide margin.

U.S. COFFEE PRICES

Prices for processed coffee in the United States began to reflect the damage done by the Brazilian drought in December 1985. As more information on the severity of the drought became available, and hopes that a late rainfall might partially salvage the 1986 crop ended, processors reacted by bidding substantially higher prices in January 1986. The price index for processed coffee products rose 17.8 percent in January and the average price for a 1 pound can of ground/roasted coffee jumped nearly 66 cents from \$2.68 to \$3.35. This prompt, sharp response to rising green coffee prices was seen as an effort by processors to prevent losses similar to those suffered after a 1975 freeze damaged the 1976 Brazilian crop. United States processors responded slowly to that shock and were left with short supplies as consumers hoarded existing stocks and the Brazilian harvests continued small for 2 years.

Since January, wholesale prices have been stable. Futures prices now are now declining. Despite reluctance by most processors to reduce prices, good weather in Brazilian growing areas has eased concern over the possibility of a freeze that could further damage the trees. If it continues, processor prices for roasted and instant coffee soon should follow the falling futures prices.

Early in the crisis, retail prices tended to show a 1-month lagged response to processor prices. The largest retail price increase occurred in February when the Consumer Price Index for roasted coffee jumped 26.7 percent. Retail prices continued upward through March. In April and May the trend was reversed and retail prices began to decline. Higher prices as well as the onset of warmer weather were weakening consumer demand, so retailers began to close the gap between producer and retail levels. This spread had grown to more than twenty cents for a 1-pound can of ground roasted coffee, compared to six to ten cents in the months prior to the drought. Growing competition from the soft drink market, heavily promoted in the summer months, also pushed down coffee demand and retail prices. Stabilization of producer prices for processed coffee producers and a decline in futures prices for green coffee beans eased sellers' apprehensions.

STOCKS

Purchases of coffee by ICO consuming members rose dramatically as soon as the effects of the 1985 drought on the 1986 Brazilian coffee crop became known. Consumer demand increased almost simultaneously as panic buying set in. By early 1986, roasters believed they had acquired adequate stocks, especially since the drought damage mostly appeared limited to Brazil's 1986 harvest and at the same time consumers began using stocks purchased earlier as a hedge against further price increases.

Roaster stocks have remained at a high level, hedging against the possibility of a frost in Brazil, while consumers, unable to evaluate the risk of such a frost, have been drawing on the stocks hoarded early in the year.

A parallel can be drawn with the situation a decade ago. In 1975 Brazil suffered a killing frost which reduced its 1976/77 harvest to 9.3 million bags. At the time the 1976 crop was harvested, world stocks totaled more than 39 million bags. They declined to 25.6 million bags by the beginning of the following year and remained below 30 million bags until 1981/82. The higher level of stocks that preceded the 1986 supply disruption was able to stem a substantial price increase in contrast to the dramatic run up following the 1975 frost.

END-OF-YEAR COFFEE STOCKS (1,000 60- KG. BAGS)

Location	Crop year	
	1985/86 Estimated	1986/87 Forecast
North American Central		
America and Caribbean....	4,345	4,446
South America.....	26,122	18,556
Africa.....	11,330	11,836
Asia & Oceania.....	3,017	2,756
World Total.....	44,814	37,594

Supplies of mild coffees will be much tighter than those of Robusta, because of the Brazilian drought and the poor crops harvested in some Central American countries during 1985/86. However, among the mild producers, Colombia and Kenya still retain much more abundant inventories than either would prefer and will seek to market them.

There is skepticism over the stock numbers verified by the ICO inasmuch as these figures may be used to substantiate requests for quota increases. Despite best efforts, it has been difficult for the ICO accurately to establish stock levels in some countries.

Large amounts of "tourist" coffee without an assigned destination were reportedly held in European freeports and the trade believed that as soon as quotas were suspended on Feb. 19, 1986, these stocks would flood the market. When quotas were suspended, prices increased rather than declined, suggesting that the amount of "tourist" coffee in stock had been greatly exaggerated.

INTERNATIONAL COFFEE ORGANIZATION (ICO)

At the International Coffee Council's (ICC) 44th session, held Sept. 16-Oct. 2, 1985, the United States voted against the package of economic provisions supported by most other members. Focal points of U.S. dissatisfaction were (1) the non-fulfillment of export quotas by some producing members during the first and second quarters of the year, especially by countries with heavy sales to non-members, and (2) a general failure to document the delivery of coffee destined for non-members. The seriousness of United States concerns was brought home to other member countries when the United States threatened to withdraw from the Organization. The Administration ultimately decided that the International Coffee Agreement (ICA) is sufficiently flexible to enable U.S. concerns to be corrected. The U.S. delegate to the 45th Council session, Apr. 28-May 2, 1986 stated that the United States would keep the ICA under review.

At interim Executive Board (EB) meetings since the 44th Council session, ICO producer members have worked toward refining ICA rules regarding sales to non-members. At the 45th Council, resolutions that would have imposed penalties for sales to non-members were adopted. These resolutions were opposed by some members of the European Community (EC).

The ICO suspended quotas on Feb. 19, 1986, when the 15-day moving average of the CIP had remained above \$1.45 per pound plus 3.5 percent for 45 market days. The 15-day CIP reached a peak at \$2.1363 on Jan. 14, 1986, and has since declined. Quotas could be put back in place if in the 15-day indicator price falls to \$1.3455. This could occur before the end of coffee year 1985/86, earlier than anyone had anticipated.

At its June 1986 meeting the EB decided that it would meet before the indicator price falls to \$1.3455 to decide on the reintroduction of quotas. Administering a new quota system is such an onerous task that reintroduction is unlikely to occur before the 1986/87 coffee year begins on Oct. 1, 1986. By that date ICO members must reach agreement on how the 1986/87 global quotas will be distributed among producer members. This will be the most contentious issue discussed at the September 1986 Council meeting. That Council also must establish a global quota and price range, if not previously set. It may not be possible to reach a satisfactory agreement if Brazil is intent on retaining its historical share (about 30 percent). Brazil prefers to disregard the fact that its export ability often falls below "normal" due to frosts and drought. Some producing countries believe Brazil's share must be cut since their shares could then be increased.

Another problem is distribution of the global quota. Indonesia's quota, for example, covers only about 50 percent of its exportable coffee, while others are unable to fill their quotas, at least during the early part of the year. However, many other producing countries appear willing to accept the status quota.

Consumers have decided that they also should play a greater role in determining how quotas are set. They say quotas should be based on "objective" criteria, such as exportable production and anticipated demand for the four main categories of coffee needed by roasters to meet blend requirements. Allocation of the global quota could be based on both a "fixed" and "variable" component during 1986/87. The weight given the variable part can range from zero to 30 percent according to ICO rules.

Export shares have been based on an "ad hoc" modification of the fixed component since quotas were reintroduced in 1980. The inclusion of a variable portion based on stocks would make the quota allocation more dynamic and might reduce the tendency of some countries to dump their excess stocks at low prices on the non-member market. A quota based on exportable production (i.e. production minus domestic consumption) also might reduce the problem of quota undershipments early in the coffee year. Some countries without significant carryover stocks have been inclined to wait for next year's harvest before filling their quotas.

OTHER INTERNATIONAL MEETINGS

Representatives of eight Latin American coffee-producing countries--Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, and Nicaragua--met in Bogota Jun. 8, 1986. At the end of the meeting the group issued a communique which predicted a Brazilian shortfall of 7 million bags during the 1986/87 coffee year ending Sept. 30, 1987. Other Milds would be in especially short supply. The group placed world coffee consumption during coffee year 1985/86 at 68 million bags, about 4 four million bags lower than had been expected.

Brazilian and Colombian officials have met on several other occasions to exchange views, but have been unable to develop a common policy on exports. While Brazil has sought to limit exports to force prices up, Colombia has increased its sales to reduce stocks and establish a better export history for the upcoming quota negotiations.

OTHER ORGANIZATIONS

The European Coffee Federation (ECF) says it would like to play a larger role in the distribution of ICO export quotas. The Federation contends the current quota distribution reflects neither the availability of coffee in producing countries nor the quality preference of consumers.

PRODUCTION AND TRADE IN SELECTED COUNTRIES

North America, Central America and Caribbean

The area planted to coffee in Costa Rica has continued to expand. The transition has been privately financed.

Costa Rican export forecasts for 1985/86 (October/September) have been sharply reduced based on performance to date. Shipments through May 1986 totaled about 1.0 million bags compared to 1.6 million bags by the same date last year. Most of the decline is due to the dramatic falloff in sales to ICO non-members. Barring a turnaround, a serious overstock problem could soon occur.

The 1986/87 (July/June) crop estimate for the Dominican Republic is 17 percent above the drought-reduced harvest of 1985/86. Production also was depressed by the enforcement of a 36- percent tax on the value of coffee exports. However on June 17, 1986, the export tax was eliminated.

Although the government has encouraged the replacing of over-aged low yielding trees with newly developed higher yielding varieties, the results have been discouraging due to the lack of financial resources in the agricultural sector. Coffee production in the Dominican Republic, located in the northern part of the country and in the Southwest near Bani-Ocoa and Barahona, is characterized by small-and medium-sized farmers with few larger plantations. In many areas, coffee is planted in association with cocoa trees where the latter provide the necessary shade.

Coffee is the Dominican Republic's most important export commodity after sugar. Exporters will be able to draw on a relatively large inventory at the beginning of the year to maintain exports at around 565,000 bags during 1986/87. Ninety-two percent of the country's coffee was shipped to the United States during 1985, virtually all in the bean form.

El Salvador's 1986/87 (October/September) coffee harvest will be up 300,000 bags over 1985/86 at 2.6 million bags, provided the strong winds of March did not do unexpectedly heavy damage. The increase is an indication of the cyclical bearing tendencies of coffee trees, inasmuch as production is believed to have been declining since 1980 on account of low utilization of fertilizers and insecticides, and apprehension over agrarian reform.

As part of an effort to control inflation, El Salvadoran coffee growers will receive payment equivalent only to \$200 for each 500 pounds of standard type coffee delivered to offices of the National Coffee Institute (INCAFE). At FOB prices above \$200 growers will receive the difference in 2-year bonds from the Central Bank carrying an interest rate of 5.5 percent. The bonds also can be used to cover grower indebtedness to the banking system. Given El Salvador's behavior in the export market over the past 6 months, it would appear the country had substantially lower stocks on October 1, 1985, than originally was believed, or that it restricted sales because it expected higher coffee prices in the future. During the first 2 quarters of the coffee year, exports have totaled about 1.6 million bags, compared to a forecast of 2.3 million bags for the entire year.

Flowerings for the 1986/87 (October/September) coffee harvest in Guatemala have been heavy, indicating a record 2.9 million bags. However, cold winds in February 1986 may have caused damage in some areas. A longer-than-usual dry spell in August-September 1985 also appears to have prevented full development of the 1985/86 crop.

Government technical assistance programs seem to be working in Guatemala. Growers gradually are switching from the large bush varieties such as Arabiga and Bourbon to smaller bush varieties such as Catuai and Caturra, thereby permitting much greater density. In addition, two or three seedlings rather than one usually are planted per hill.

Heavy exports to non-ICO countries in 1984/85 left Guatemala with only an estimated 170,000 bags in stocks at the end of the year. Stock levels will remain low at the end of 1985/86 if exports reach about 2.25 million for the year, as expected.

After years of pressure from coffee growers, Guatemala abolished coffee export taxes on July 1, 1985. The Government now will propose a new tax package for all export commodities, including coffee, scaled to world price levels. The new administration also plans to establish a clearing house for agricultural imports and exports, the better to monitor quality, prices, transport costs, etc.

The 1986/87 (October/September) coffee harvest in Honduras, at 1.4 million bags, will be up 100,000 bags from the current estimate for 1985/86. Coffee production increased dramatically during the late 1970's when 30,000 hectares (23-percent increase) were added. Although much of the expansion was on marginal land, yields were maintained because the young trees were more productive. Since 1980, there has been relatively little expansion in area. Government efforts to maintain output now are focused on providing increased technical assistance, controlling coffee rust and borer damage, and insuring that growers have adequate credit to finance the purchase of fertilizers and pesticides.

Although the Honduran Coffee Institute granted export licenses for over 1.3 million bags by mid-1986, exports are unlikely to exceed 1.4 million bags for all of 1985/86. Because Honduras harvests after January 1 it must retain adequate supplies to meet both domestic demand and export needs during the first quarter of coffee year 1986/87, in case ICO quotas are reestablished.

In 1984/85 Honduras shipped 438,697 bags of coffee to ICO non-members at substantially reduced prices. During 1985/86 it has concentrated nearly all of its shipments on quota markets, perhaps to strengthen its argument for an increased share of the 1986/87 ICO global quota.

Excellent flowerings in the Mexican states of Coatepec, Veracruz, and the higher zones of Chiapas indicate that country's 1986/87 (October/September) coffee harvest could total a record 4.66 million bags, 180,000 bags more than the current year. Output for 1986/87 might have been even higher had not the heavy winds and fires in April-May 1986 reduced Robusta prospects in the Soconusco area of Chiapas.

The area in coffee in Mexico appears to have stabilized over the past few years. The Mexican Coffee Institute (INMECAFE) has not encouraged an expansion because of its inability to provide additional financial assistance and continuing uncertainty over the international coffee market. Instead the Institute has been using its limited resources to provide technical and financial help for the small farmers, mainly to control rust, and to carry out some basic research. It also is working with private sector grower organizations to increase tree density from an average of 1400/hectare to 2000/hectare, using more productive varieties such as Garnica.

Many Mexican exporters accelerated their export sales during October-December 1985 in order to avoid a new export tax that went into effect January 1, 1986.

Mexico hopes to maintain its exports at 3.2 million bags in 1985/86 and 1986/87 in order to earn badly-needed foreign exchange. Exporters must prove domestic supplies are adequate before exports are authorized. Per capita consumption is unlikely to decline significantly during 1986, despite a 60 to 65 percent retail price increase, because all costs have risen. The result is that by September 30, 1987, coffee stocks in Mexico will be at a very low level.

Over 90 percent of Mexico's coffee exports are in the bean form. All are taxed and the dollars earned must be exchanged for pesos at government-controlled rates which are slightly lower than those in the free market. About two-thirds of Mexico's coffee exports go to the United States.

MEXICO COFFEE EXPORTS
(1-million 60- kg. bags)

Export Destination	Calendar Years	
	1984	1985
United States	1.89	2.22
Other Countries	<u>1.06</u>	<u>1.04</u>
	2.95	3.26

Nicaragua's 1986/87 (October/September) coffee harvest of 750,000 bags will be 25,000 bags smaller than in 1985/86. The reduction is attributed to the normal cyclical pattern of yields, coupled with poor tree maintenance, labor supply problems and unfavorable weather.

South America

Brazil's very large 33.0 million bag harvest of 1985/86 (July /June) would have been followed by a smaller crop this year, even under ideal weather conditions. However, 1985 weather conditions were far from normal. Rainfall was short in the major coffee growing states of Parana, Sao Paulo, and Minas Gerais beginning in May 1985. The deficit continued until the end of the year. In order to ascertain the extend of drought losses USDA personnel in Washington and Brazil surveyed the affected areas in late January and early February 1986. It was their consensus, subsequently confirmed by a second survey, that Brazil's 1986 crop had been reduced 16.5 million bags because of the drought and cyclical nature of production. Although weather condition in the major growing areas returned to normal after the first of the year, they turned unfavorable in Espirito Santo where 90 percent of Brazil's conillon (Robusta) are produced.

BRAZIL: COFFEE PRODUCTION
(1 million 60-kg. bags)

State	1984/85	1985/86	1986/87
Parana.....	5.5	4.75	1.5
Sao Paulo.....	7.5	9.75	2.4
Minas Gerais.....	7.5	11.0	4.8
Espirito Santos...	4.0	5.0	4.8
Other.....	2.5	2.5	3.0
Total.....	27.0	33.0	16.5

While the USDA has forecast a 16.5-million bag harvest, final output in 1986/87 will depend on dehusking yields. The harvest is likely to have a high proportion of small and hollow beans, and in some areas it may take more than the normal amount of cherries to produce one bag of clean coffee. Drought losses are concentrated in the prime-quality Arabica-producing areas. Production from Parana, Sao Paulo, and Southwest Minas Gerais, where the better quality coffees are produced, is expected to total only 5.6 to 7.2 million bags, compared to 22.5 to 24.0 million bags in 1985.

The run-up in world coffee prices between mid-October and early January was dramatic because it reflected trade concern that the drought in Brazil had caused long-term damage to the coffee trees. However, these fears have largely been allayed by much improved weather conditions since the beginning of 1986.

IBC funding for new plantings was terminated several years ago when it decided Brazil's production base was adequate. Although this policy still holds, it does not prevent individuals from adding acreage at their own expense. High market prices have led growers to add 75 million seedlings over the past 6 to 8 months, mainly in Sao Paulo and Minas Gerais States.

The IBC cannot intercede in the domestic market to acquire stocks at above the grower support price. The IBC held only about 2.7 million bags on July 1, 1986. The balance was held by the private sector. In an effort to acquire additional stocks the IBC imposed a reversible retention scheme under which exporters would deposit one bag of coffee of equal quality with the IBC for 60 days for every three bags registered for export. This scheme was subsequently scuttled. The IBC has also indicated it will hold calendar 1986 exports to 14.5 million bags, to limit the effect of the 1985 drought on domestic prices, and leave some reserves for sale in 1987/88, in case of frost damage in 1986. Shipments during the year were scheduled to include 10.5 million bags of the better quality "Group I" soft coffees and 4.0 million bags of the poorer quality "Group II" hard coffees. Exports to ICO non-members would be held to about 1.0 million bags. The 600,000-bag unshipped non-member balance as of Apr. 1, 1986, would be distributed at 200,000 bags per quarter. The IBC had hoped coffee sales during 1986 would earn Brazil between \$4 and \$4.5 billion in foreign exchange, but the world price decline will reduce earnings.

Brazil's export policy has changed dramatically over the past 6 months. Late in 1985, Brazilian and Colombian officials reached an agreement to try to increase the supply of coffee offered on the world market in order to contain the rise in world prices and the eventual loss of markets in coffee-consuming countries. Brazil's exports soared to a record 2.87 million bags in December and to 5.37 million bags for the quarter. The high volume was achieved, in part, by large buyers' rebates.

Pressure for a policy change culminated in February 1986, when the president of the IBC and the Minister of Commerce and Industry were replaced on grounds they had sold too much coffee too cheaply. The new regime has implied its goal now is to maximize foreign exchange earnings from coffee.

In Colombia improved grower prices since last December have induced better plantation practices which should result in the 1986/87 harvest (October/September) being somewhat larger than the 12.0 million bags produced in 1985/86. That the coffee production estimate for 1985/86 had to be revised

downward from 12.5 million bags, probably is a reflection of plantation neglect over the past several years when grower prices were regarded as unremunerative. The situation may have been reversed in 1985 when the Government began adjusting growers' prices upward on a bi-monthly basis, according to the rise in the cost of living, until they recover the purchasing power they had in 1980.

Since October 1985, the domestic support price for 125 kilograms of dry parchment coffee has been increased by 91 percent. Coffee Grower Federation (CGF) officials hope the higher grower prices will encourage increased yields.

Despite opposition from the Government, the area devoted to coffee is expanding marginally. All new plantings are privately financed since no Government or institutional credit is available. The Government continues to pursue a program of diversification away from coffee.

Although costly to some small producers, rust is not believed to have had a major impact on yields in Colombia. The Government is intently pursuing control of the disease. Efforts have resulted in a reduction in the affected area from 346,025 hectares on Nov. 30, 1985, to 331,702 on Jan. 30, 1986.

Colombia has decided to use its adequate reserve stocks to help bring about the objectives of the ICA which--more than anything--is "to achieve a reasonable long-term balance between world supply and demand at fair prices to both producers and consumers".

Colombia was expected to increase its exports above the average 1 million bag-per-month level for the next 3 years, but this may prove overly optimistic, as the country's transport system and port facilities may not be flexible enough to handle these volumes on a regular basis. Exports for the first 8 months were 7.57 million bags.

Unauthorized coffee shipments out of Colombia are a growing problem. In neighboring countries, contraband Colombian coffee reportedly is worth twice the internal purchase price. Legal Colombian exports now seems likely to range between 11 and 12 million bags over the next 2 years and will earn the country the equivalent of \$3 to 4 billion during 1986, compared to \$1.5 billion last year.

Windfall profits in the late 1970's, a result of the severe 1975 frost in Brazil, largely were channeled into improved farm storage and drying facilities. Government and coffee officials now are considering the construction of a modern coffee export facility in the economically depressed Choco Department on the Pacific Coast of Northwestern Colombia.

The 1986/87 (April/March) coffee harvest in Ecuador is placed at 2.0 million bags, up slightly from 1985/86. The increase is primarily the result of acreage expansion. Credit and technical assistance programs are offered by the government to replace overage trees and thereby increase yields, but their effectiveness is limited by the administrative difficulties of dealing with a large number of small producers.

Ecuador's coffee exports rose from about 1.37 million bags in crop year 1984/85 to 1.69 million in 1985/86, with a further increase to 1.82 million projected for 1986/87. Since 1980/81 Ecuador's coffee exports have been

assigned by sector to grower organizations, commercial bean exporters, and the processed products industry. The Government probably will discontinue this practice and allow free market access as of June 30, 1986.

Peru's 1986/87 (April/March) coffee harvest now is estimated at 1.3 million bags, 50,000 bags above the revised estimate for 1985/86. High prices resulting from the drought in Brazil encouraged producers to carry out a more thorough harvest. Domestic consumption is expected to decline an additional 5 percent this marketing year as exports rise to record volumes. Coffee should contribute about 10 percent of Peru's total export earnings during calendar 1986, up sharply from the 4 percent of the past few years. In order to obtain its share of the coffee price bonanza, the Government has imposed a 10 percent tax on export returns exceeding \$1.40 per pound FOB.

In Venezuela a drawdown on stocks and declining domestic consumption will permit exports in excess of 500,000 bags in 1985/86(October/September)) compared to about 100,000 bags in 1984/85. Only the state run National Coffee Fund is allowed to export green coffee. Processed products may be exported by the private sector under permits issued by the Ministry of Agriculture.

Africa

Most of Ethiopia's coffee is derived from wild strains which produce about 300 kilos per hectare, although yields could be increased by stumping, spraying with pesticides and weeding. The EC and African Development Bank are supporting a project to increase wild (forest) coffee production in Ethiopia over the next 5 years. A reorganization is underway involving the Ministries of State Farms, Agriculture, and Coffee and Tea which will reflect the priority being placed on coffee development.

The Coffee Marketing Corporation (CMC) handles 70 percent of coffee exports. This provides an unfavorable environment for private trade. CMC purchase prices are adjusted daily based on the International Coffee organization's indicator price, to cover a CMC margin and transportation costs. A producer tax and surtaxes cut sharply into producers' returns.

Saudi Arabia is a favored non-quota market. It was paying \$2.50 per pound for Harar coffee, compared with \$1.30 per pound for other types in the United States and Europe. Harar production totals only 12,000 to 15,000 tons per year. Ethiopia sells to the USSR and Eastern Europe at a premium under bilateral agreements, but these are not favored markets. West Germany is now Ethiopia's largest customer, paying a premium for select coffees.

The Ivory Coast's 1986/87 (October/September) coffee crop is forecast at 4.8 million bags, up 4 percent from a year ago. Rains, beginning in late January, combined with warm temperatures appear to have favored crop development. This has been borne out by field observations which indicate a slightly larger amount of cherries on the trees than last year.

The age of the trees in plantations continues to be a major factor affecting Ivorian yields. About 61 percent of the existing plantations are over 15 years of age and about 25 percent are over 25 years old and unproductive.

In 1981 the Government of the Ivory Coast believed the existing area in coffee was adequate to meet the country's export requirements. In June 1985, after reviewing future product prospects, the Government reversed this opinion and now plans to support expansion of the area in coffee by 270,000 hectares. It also will assist in replanting 27,000 hectares of overage trees, and increase incentives for pruning. To support these activities the Government will establish 44 new propagation centers with the capacity to provide 95 million seedlings annually.

Genetic research will continue on Arabusta coffee, which combines the best features of Robusta and Arabicas. The area planted to this variety will not go beyond the current level of several thousand hectares until additional research has been completed.

Ivorian coffee exports are projected at more than 4.4 million bags in 1986/87, about 200,000 bags above 1985/86. Exports are mainly green beans, but include about 5 percent of the green equivalent as soluble and a very small amount as roast/ground coffee. Stock levels are projected to increase to 1.875 million bags by September 30, 1986. In the past some of the carryover stocks have been black beans of very low quality.

Below normal rainfall in Kenya from October 1985 through March 1986 caused uneven flowering and cherry development, lowering output expectations for the 1986/87 (October/September) harvest to less than 1.8 million bags. The 1985/86 crop, 1.93 million bags, was up nearly a quarter from the drought-reduced 1.55 million bag harvest of 1984/85. This was less than expected, apparently because of a high proportion of light-weight beans.

A new disease resistant variety, Ruiri 11, was released in 1985, following 15 years of research. Adoption rates have been slow so far, but demand is expected to exceed supply once the variety's superiority, in both disease resistance and yields, is appreciated fully.

In view of the large carryover stocks, near record production, and high world prices, the Government of Kenya has pushed hard to increase its exports to 2.0 million bags during 1985/86. Actual exports probably will be only about 1.8 million bags.

While Kenya is happy with the high prices bonanza, it is apprehensive that the current market situation ultimately will lead to a dramatic slump in world prices. It also is concerned that its own coffee quota is too low, and will use every opportunity to push for a larger share of the global market when quotas are reestablished.

Coffee production in Rwanda is estimated at 550,000 bags in 1986/87 (April/March), the same as the preceding year. There are about 37,000 hectares of coffee in Rwanda, grown mainly by some 550,000 smallholders. Further expansion in area is unlikely until the Government raises producer prices and provides other incentives.

Coffee is Rwanda's principal foreign exchange earner. At one time the United States was the primary market. Now virtually all coffee exports go to Europe, mainly West Germany. About 25 percent of Rwandan coffee exports are shipped to Mombasa by air. The balance is trucked to there via Kampala

and Nairobi over 1,000 miles of roads which generally are in poor condition.

Production of coffee in Tanzania is forecast to decline 100,000 bags from 1985/86 to 850,000 bags in 1986/87 (July-June), despite the efforts of the EC to help rehabilitate the country's plantations. Although the Government continues to raise producer prices in an effort to increase production, the increases are considered insufficient to cover higher production costs resulting from the removal of subsidies on chemicals, higher fertilizer prices, and delayed payments on deliveries. Many farmers are interplanting coffee with food crops or replacing coffee trees with other, higher value crops.

Due to serious financial constraints, chemicals to control the spread of coffee berry disease (CBD) remain in extreme short supply in Tanzania. CBD is regarded as the country's most serious cultural problem.

Because of an urgent need for additional foreign exchange, Tanzania would like to maximize its exports this year, perhaps shipping as much as 1 million bags. Whether the Government can reach this level depends in large part on its ability to overcome serious internal fuel and transport problems. The leading markets for Tanzanian coffee are West Germany, the Netherlands, and Finland. Under special trade arrangements, Tanzania exchanges coffee for Algerian petroleum.

Uganda is now believed to have an annual average production capacity somewhere between 2.5 and 3.0 million bags of coffee. Because of a good rainy season the country may enjoy a bumper crop during 1986/87 (October/September). Recently as an incentive to increase production, the Government sharply increased grower prices. Grower prices were held very low by the previous administration.

Coffee is virtually Uganda's only source of foreign exchange. Exports fell sharply in late 1985 because of internal fighting. Since March 1986, exports have increased and shipments for the year could exceed last year's 2.3 million bags, but Uganda has not been able to capitalize on the high world prices to the extent it would have liked. Transport problems remain the key deterrent, although erratic power supplies in rural areas often have delayed processing, and producers cannot count on having their coffee delivered to marketing centers by the private operators of the Uganda Cooperative Transport Union. Trains provide the principal transport out of country, but feeder roads to railheads are in poor condition, and there is severe lack of operational rolling stock at present.

Uganda has indicated its intention to reinstitute coffee auctions in Kampala. Currently it sells its coffee by tender through its Coffee Marketing Board offices in New York and London. Auctions last were held in Kampala in the 1960's.

The 1986/87 (October/September) Zairian coffee crop is estimated at 1.62 million bags, up 110,000 bags from 1985/86. Zairian production has been relatively static for more than a decade. Much of the country's coffee is picked in an immature state and improperly stored by small farmers. Farmers in turn are handicapped by the lack of research on coffee and the unavailability of fertilizers, pesticides, tools or transport.

Zaire has also had problems in the marketing area. When the Government tried to apportion exports among exporters after the ICO quotas were suspended, it created a bottleneck. In the recent period of high prices the government imposed a heavy surcharge on windfall profits from coffee exports. Exporters were unable to pay the tax because they had sold the coffee before prices rose. A special committee has been formed to analyze obstacles to the farm purchase and export of coffee.

Export levels have been well below the transportation system's capacity. Attracted by stronger currencies in neighboring countries, and in order to avoid the high export taxes, an increased amount of Zairian coffee has moved across the borders to neighboring countries.

ASIA AND OCEANIA

Extremely dry weather during February and March 1986 in the major coffee growing areas of Southern India will reduce what otherwise might have been a record 1986/87 (October/September) crop to about 2.33 million bags. Never the less this is 22 percent above the current year's harvest. The actual size of the crop will be determined by the amount and distribution of monsoon rains.

While the 1986/87 harvest should include about equal amounts of Arabicas and Robusta, future harvests may contain a higher proportion of Robusta, since nearly all of the newly-planted trees are Robusta based on their greater tolerance to the irregular rainfall patterns exhibited in India. Planted area under coffee should reach 252,000 hectares in 1986/87, up from 236,000 in 1984/85 and 244,000 for the current year. About 60 percent of India's coffee area is owned by smallholders with the remaining 40 percent in estates. In order to achieve greater returns to cover rising production costs, smallholders have increased the amount of interplanting with food and cash crops.

Exports during 1985/86 may not exceed 1.2 million bags, down from 1.3 million last year, due to the decline in world market prices and reduced shipments to ICO non-members. By drawing on ample stocks, India expects to expand its exports to 1.5 million bags during 1986/87, when it believes comparatively less coffee will be available from other suppliers.

India has launched a major market development effort to increase coffee exports to Southeast Asia and the Far East. However, India will continue to rely heavily on the USSR which purchased nearly 40 percent of its exports during 1985.

INDIA: COFFEE EXPORTS, 1985

Country of Destination	Metric Tons
United States.....	11,659
Other Countries	
USSR.....	37,697
Japan.....	11,563
China, Peoples Rep. of...	5,900
Holland.....	3,029
Singapore.....	3,927
Italy.....	3,722
West Germany.....	3,608
Others.....	14,423
World Total.....	95,528

Indonesia's 1986/87 (April/March) coffee harvest is forecast to equal last year's record outturn, 5.8 million bags. While Arabica areas may expand due to incentive prices, the Government continues to control the expansion of Robusta in order to avoid an oversupply problem. Over 90 percent of Indonesia's coffee is Robusta. The Government's emphasis at present is to intensify the use of existing coffee land and to improve coffee quality. State-owned corporations are in the forefront of efforts to get smallholders to prune, to use more fertilizer, and to replace overage trees with higher yielding seedlings planted at increased density. No significant improvement in quality can be expected until growers are paid a quality differential.

Coffee export levels were relatively unchanged between 1984/85 and 1985/86, but are expected to increase in 1986/87. On a coffee year basis (October/September), shipments to non-quota markets surpassed quota shipments for the first time in 1984/85.

INDONESIA: COFFEE EXPORTS (Thousands of 60 kilo bags)

Markets	1982/83	1983/84	1984/85
Quota	2,363	2,552	2,466
Non-Quota	1,567	2,107	2,579

Indonesia is expanding its trade with Eastern Europe. These countries often offer goods in exchange for coffee rather than cash. Nevertheless shipments in non-members may decline in 1986/87 (April/March), if the price differential between member and non-members shipments is eliminated.

The United States remains Indonesia's major coffee market. However, sales to Japan, Indonesia's No. 2 market, have risen steadily over the last three years as Japanese willingness to pay higher prices for selected quality has prompted some exporters to pursue that market. Although ICO coffee quotas are suspended, Indonesian exports are still controlled through export licensing.

Coffee production in the Philippines is forecast to increase slightly in 1986/87 (July/June). Production increases over the past several years can be attributed to the maturation of trees planted in the late 1970's and early 1980's. New coffee areas are being planted. In some areas, particularly the coconut areas of Mindanao, coffee has become an increasingly popular intercrop. Since Robusta is the most marketable coffee, the majority of new plantings are of this variety.

The removal of ICO quotas and high world market prices have encouraged exports at the same time as they weakened domestic demand. Exports during the 8 months of the current coffee year (October 1985-March 1986) almost have equaled total exports for 1984/85 and should rise by around 50 percent for the entire year. Inferior handling and processing of beans and inconsistent quality remain problems.

Plentiful rainfall during the growing season should raise Papua New Guinea's 1986/87 (April/March) coffee harvest to 900,000 bags, compared to 873,000 bags in 1985/86. Expectations were even more favorable until the April 1986 outbreak of rust. Although the current year's output will only marginally effect the next couple of years, production could be substantially reduced if many coffee trees must be destroyed. Efforts to control the disease could have some longterm benefits if they pressure growers, especially the smallholders, to manage their crops better.

Exports in 1986/87 are forecast at 850,000 bags, well up from last year's 737,000 bags. West Germany and Australia are Papua New Guinea's major export destinations, followed by the United Kingdom and the United States. Despite the forecast of strong growth in exports, stocks will be built to their highest level in five years in an effort to obtain a larger export quota from the ICO.

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TABLE 1

COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES
AVERAGE 1977/78, ANNUAL 1982/83-1986/87
(IN THOUSANDS OF 60 KILO BAGS)

REGION AND COUNTRY	AVERAGE 1977/78-1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
NORTH AMERICA, CENTRAL AMERICA & CARIBBEAN:						
COSTA RICA.....	1,728	2,300	2,070	2,516	1,650	2,300
CUBA.....	317	300	385	325	375	350
DOMINICAN REP.....	941	1,100	810	909	780	910
EL SALVADOR.....	3,074	2,800	2,400	2,840	2,300	2,600
GUATEMALA.....	2,674	2,530	2,340	2,703	2,530	2,900
HAITI.....	518	674	630	592	579	633
HONDURAS.....	1,154	1,500	1,310	1,400	1,300	1,400
JAMAICA.....	23	30	25	25	30	30
MEXICO.....	3,737	4,530	4,530	4,250	4,480	4,660
NICARAGUA.....	975	1,257	710	800	775	750
PANAMA.....	115	138	150	201	225	250
TRINIDAD-TOBAGO.....	41	23	30	30	35	30
UNITED STATES.....	207	267	201	279	248	257
TOTAL NORTH AMERICA.....	15,504	17,449	15,591	16,870	15,307	17,070
SOUTH AMERICA:						
BOLIVIA.....	130	155	150	140	150	150
BRAZIL.....	22,800	17,750	30,000	27,000	33,000	16,500
COLOMBIA.....	12,841	13,300	13,000	12,800	12,000	12,400
ECUADOR.....	1,598	1,800	1,380	1,500	1,966	2,000
GUYANA.....	22	25	25	25	25	25
PARAGUAY.....	119	271	280	240	275	250
PERU.....	1,143	1,100	1,270	1,150	1,250	1,300
VENEZUELA.....	1,064	791	1,025	1,213	1,150	1,200
TOTAL SOUTH AMERICA.....	39,717	35,192	47,130	44,068	49,816	33,825
AFRICA:						
ANGOLA.....	554	330	260	260	250	250
BENIN.....	17	50	55	55	50	50
BURUNDI.....	437	340	593	460	550	500
CAMEROON.....	1,675	1,830	1,000	1,800	1,950	1,900
CENT. AF. REP.....	217	316	150	250	300	300
CONGO.....	54	32	35	35	40	40
EQUAT. GUINEA.....	13	15	15	15	15	15
ETHIOPIA.....	3,190	3,350	3,300	2,600	3,100	3,150
GABON.....	8	29	35	40	35	40
GHANA.....	32	23	20	15	15	15
GUINEA.....	80	65	50	30	50	50
IVORY COAST.....	4,418	4,510	1,420	4,609	4,667	4,833
KENYA.....	1,475	1,541	2,000	1,554	1,930	1,775
LIBERIA.....	153	159	80	215	167	170
MADAGASCAR.....	1,175	1,000	1,100	1,200	1,300	1,250
MALAWI.....	5	16	27	35	60	75
NIGERIA.....	49	45	42	48	50	50
RWANDA.....	436	377	536	542	550	550
SIERRA LEONE.....	160	233	180	200	245	255
TANZANIA.....	894	1,033	843	877	950	850
TOGO.....	152	284	275	215	275	275
UGANDA.....	2,186	3,000	2,700	2,800	2,700	3,000
ZAIRE.....	1,338	1,354	1,350	1,540	1,510	1,620
ZIMBABWE.....	78	117	147	180	188	200
TOTAL AFRICA.....	18,796	20,049	16,213	19,575	20,947	21,213
ASIA:						
INDIA.....	2,177	2,170	1,667	3,250	1,917	2,333
INDONESIA.....	4,930	4,750	5,515	5,600	5,800	5,800
MALAYSIA.....	118	145	154	160	150	150
PHILIPPINES.....	813	1,000	779	857	943	950
SRI LANKA.....	50	64	58	74	78	78
VIET NAM.....	67	60	60	60	60	60
THAILAND.....	176	327	335	420	500	500
YEMEN.....	54	57	50	53	50	50
TOTAL ASIA.....	8,385	8,573	8,618	10,474	9,498	9,921
OCEANIA:						
NEW CALEDONIA.....	9	6	4	6	6	6
PAPUA-N. GUINEA.....	809	648	939	774	873	900
TOTAL OCEANIA.....	818	654	943	780	879	906
WORLD TOTAL.....	83,220	81,917	88,495	91,767	96,447	82,935

1/ Coffee marketing year begins about October in some countries and April or July in others. 2/ 132.276 pounds.

NOTE: Production estimates for some countries include cross-border movements.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 2

COFFEE GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1977/79-1981/82, ANNUAL 1982/83-1986/87
(IN THOUSANDS OF 60 KILO BAGS)

REGION AND COUNTRY	AVERAGE 1977/79-1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
NORTH AMERICA, CENTRAL AMERICA & CARIBBEAN:						
COSTA RICA.....	1,515	2,077	1,837	2,281	1,412	2,060
CUBA.....	---	---	85	25	75	75
DOMINICAN REPUBLIC.....	657	800	508	604	575	600
EL SALVADOR.....	2,877	2,600	2,200	2,640	2,100	2,400
GUATEMALA.....	2,360	2,195	2,000	2,373	2,270	2,600
HAITI.....	297	434	390	343	324	373
HONDURAS.....	1,041	1,366	1,155	1,240	1,134	1,240
JAMAICA.....	13	18	14	13	18	17
MEXICO.....	2,408	2,830	3,030	2,520	2,760	3,040
NICARAGUA.....	890	1,157	610	705	685	660
PANAMA.....	48	72	82	131	152	175
TRINIDAD-TOBAGO.....	25	2	10	9	13	8
UNITED STATES.....	---	---	---	---	---	---
TOTAL NORTH AMERICA.....	12,131	13,551	11,891	12,884	11,518	13,248
SOUTH AMERICA:						
BOLIVIA.....	97	119	115	103	112	109
BRAZIL.....	22,000	9,750	21,500	16,500	24,000	8,000
COLOMBIA.....	11,120	11,445	11,140	10,935	10,130	10,527
ECUADOR.....	1,386	1,560	1,135	1,240	1,695	1,718
GUYANA.....	1	3	3	3	3	3
PARAGUAY.....	97	248	257	217	250	228
PERU.....	893	840	1,045	940	1,050	1,110
VENEZUELA.....	102	---	182	273	316	300
TOTAL SOUTH AMERICA.....	35,696	23,965	35,377	30,211	37,556	21,995
AFRICA:						
ANGOLA.....	511	287	216	215	204	207
BENIN.....	16	49	54	54	49	49
BURUNDI.....	436	339	592	459	549	499
CAMEROON.....	1,644	1,785	945	1,745	1,895	1,845
CENTRAL AFRICAN REPUBLIC..	202	298	137	235	283	282
CONGO.....	53	31	34	34	39	39
EQUATORIAL GUINEA.....	4	7	8	9	9	8
ETHIOPIA.....	1,520	1,708	1,592	637	1,243	1,350
GABON.....	7	28	34	39	34	39
GHANA.....	23	15	12	7	8	8
GUINEA.....	74	59	44	24	44	46
IVORY COAST.....	4,359	4,445	1,355	4,540	4,597	4,763
KENYA.....	1,419	1,501	1,954	1,504	1,870	1,715
LIBERIA.....	147	153	74	211	160	163
MADAGASCAR.....	1,019	823	920	1,017	1,111	1,053
MALAWI.....	5	16	27	35	60	75
NIGERIA 3/.....	---	---	---	---	---	---
RWANDA.....	434	376	535	541	549	549
SIERRA LEONE.....	155	228	174	194	239	249
TANZANIA.....	875	1,013	823	857	930	830
TOGO.....	151	283	274	214	274	274
UGANDA.....	2,145	2,954	2,653	2,752	2,650	2,949
ZAIRE.....	1,163	1,159	1,150	1,340	1,310	1,420
ZIMBABWE.....	69	107	139	172	180	191
TOTAL AFRICA.....	16,431	17,664	13,746	16,835	18,287	18,599
ASIA:						
INDIA.....	1,301	1,167	698	2,250	817	1,133
INDONESIA.....	3,822	3,636	4,375	4,590	4,800	4,750
MALAYSIA 3/.....	5	---	---	---	---	---
PHILIPPINES.....	410	490	229	572	543	535
SRI LANKA.....	38	52	46	64	68	68
THAILAND.....	65	188	192	275	350	360
VIETNAM.....	32	25	25	25	25	25
YEMEN, ARAB REP.....	44	47	40	43	40	40
TOTAL ASIA.....	5,717	5,605	5,605	7,819	6,643	6,911
OCEANIA:						
NEW CALEDONIA.....	---	---	---	---	---	---
PAPUA NEW GUINEA.....	795	631	922	757	856	883
TOTAL OCEANIA.....	795	631	922	757	856	883
WORLD TOTAL.....	70,770	61,416	67,541	68,506	74,860	61,636

1/ Coffee marketing year begins about October in some countries and April or July in others. Exportable production represents total harvested production minus estimated domestic consumption. 2/ 132,276 pounds. 3/ Coffee producing countries which import more coffee than they export are not regarded as having exportable production.

NOTE: Production estimates for some countries include cross-border movements.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 3

WORLD COFFEE SUPPLY & DISTRIBUTION IN PRODUCING COUNTRIES 1960/61 - 1986/87
(IN THOUSANDS OF 60 KILOGRAM BAGS)

CROP YEAR	BEGINNING STOCKS	PRO- DUCTION	IMPORTS	TOTAL S/D	DOMESTIC USE	BEAN EXPORTS	RSTD/GRND EXPORTS	SOLUBLE EXPORTS	TOTAL EXPORTS	ENDING STOCKS
1960/61	58,775	65,375	319	124,469	16,383	42,842	63	92	42,998	65,089
1961/62	65,089	75,943	281	141,313	21,081	45,956	56	135	46,147	74,095
1962/63	74,085	67,788	258	142,131	14,700	46,776	42	123	46,941	80,490
1963/64	80,490	65,330	183	146,003	17,624	50,877	69	118	51,065	77,314
1964/65	77,314	52,651	177	130,142	16,751	41,761	58	78	41,897	71,494
1965/66	71,494	82,147	249	153,890	17,818	49,661	37	257	49,955	86,117
1966/67	86,117	63,343	279	149,739	19,262	48,316	26	564	48,906	81,572
1967/68	81,572	71,122	273	152,967	18,077	54,624	55	741	55,421	79,470
1968/69	79,470	63,236	228	142,934	19,644	52,506	76	963	53,545	69,746
1969/70	69,746	69,602	267	139,615	18,897	53,857	83	1,161	55,101	65,617
1970/71	65,617	59,389	505	125,511	19,379	50,555	112	1,253	51,920	54,213
1971/72	54,213	73,291	524	128,028	19,064	56,625	249	1,589	53,463	50,500
1972/73	50,500	77,248	497	128,245	17,460	59,067	346	2,040	61,453	49,332
1973/74	49,332	65,728	563	115,623	19,022	58,323	192	2,149	60,664	35,936
1974/75	35,936	82,725	464	119,125	19,175	53,273	235	2,164	55,493	44,457
1975/76	44,457	73,105	410	117,972	19,188	57,149	371	2,166	59,685	39,100
1976/77	39,100	61,107	529	100,736	18,411	54,173	351	2,176	56,700	25,625
1977/78	25,625	70,742	613	96,980	18,775	47,742	183	897	48,822	29,383
1978/79	29,383	79,033	729	109,145	19,478	61,950	222	2,433	64,605	25,062
1979/80	25,062	81,836	691	107,589	19,983	59,209	218	2,573	62,000	32,150
1980/81	25,062	86,306	667	112,579	20,551	56,890	167	2,821	59,878	45,074
1981/82	32,150	98,238	761	131,149	21,187	60,601	223	4,064	64,888	42,158
1982/83	45,074	81,917	770	127,761	20,761	62,151	202	2,489	64,842	41,901
1983/84	42,158	88,495	677	131,330	21,221	65,098	337	2,773	68,208	38,195
1984/85	41,901	91,767	531	135,199	23,591	68,808	352	3,299	72,413	44,814
1985/86	38,195	96,447	543	135,185	21,947	64,889	352	3,183	68,424	44,814
1986/87	44,814	82,935	543	128,292	21,420	66,500	361	2,417	69,278	37,594

REPORT DATE 12/10/85

Horticultural and Tropical Products Division, Commodity Programs
FAS/USDA

TABLE 4

WORLD: COFFEE SUPPLY & DISTRIBUTION 1986/87
(in thousands of 60 kilogram bags)

COUNTRY	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL S&D	DOMESTIC USE	EXPORTS	ENDING STOCKS
Costa Rica.....	1,193	2,300	—	3,493	240	1,800	1,453
Cuba.....	91	350	160	601	275	230	96
Dominican Republic.....	564	910	—	1,474	310	572	592
El Salvador.....	894	2,600	—	3,494	200	2,400	894
Guatemala.....	180	2,900	—	3,080	300	2,600	180
Haiti.....	20	633	—	653	260	370	23
Honduras.....	584	1,400	—	1,984	160	1,300	524
Jamaica.....	—	30	2	32	13	19	—
Mexico.....	678	4,660	—	5,338	1,620	3,200	518
Nicaragua.....	30	750	—	780	90	665	25
Panama.....	58	250	—	308	75	150	83
Trinidad & Tobago.....	6	30	6	42	22	15	4
United States.....	47	257	70	374	318	2	54
Total.....	4,345	17,070	238	21,653	3,883	13,324	4,446
Bolivia.....	31	150	—	181	41	100	40
Brazil.....	11,414	16,500	—	27,914	8,500	14,500	4,914
Colombia.....	13,103	12,400	—	25,503	1,873	11,500	12,130
Ecuador.....	549	2,000	—	2,549	282	1,720	547
Guyana.....	—	25	—	25	22	3	—
Paraguay.....	307	250	—	557	22	260	275
Peru.....	440	1,300	—	1,740	190	1,100	450
Venezuela.....	278	1,200	—	1,478	900	378	200
Total.....	26,122	33,825	—	59,947	11,830	29,561	18,556
Angola.....	559	250	—	809	43	300	466
Benin.....	—	50	—	50	1	49	—
Burundi.....	7	500	—	507	1	472	34
Cameroon.....	832	1,900	—	2,732	55	1,690	987
Central African Republic.....	39	300	—	339	18	245	76
Congo.....	14	40	—	54	1	37	16
Equatorial Guinea.....	2	15	—	17	7	10	—
Ethiopia.....	942	3,150	—	4,092	1,800	1,600	692
Gabon.....	2	40	—	42	1	40	1
Ghana.....	13	15	—	28	7	13	8
Guinea.....	21	50	—	71	6	40	25
Ivory Coast.....	1,492	4,833	—	6,325	70	4,380	1,875
Kenya.....	1,116	1,775	—	2,891	60	1,750	1,081
Liberia.....	50	170	5	225	7	160	58
Madagascar.....	952	1,250	—	2,202	197	980	1,025
Malawi.....	12	75	—	87	—	60	27
Nigeria.....	12	50	98	160	130	15	15
Rwanda.....	115	550	—	666	1	530	135
Sierra Leone.....	25	255	—	280	6	237	37
Tanzania.....	415	350	—	1,265	20	900	345
Togo.....	28	275	—	303	1	250	52
Uganda.....	3,508	3,000	—	6,508	51	2,700	3,757
Zaire.....	1,126	1,620	—	2,746	200	1,480	1,066
Zimbabwe.....	47	200	—	247	9	180	58
Total.....	11,330	21,213	103	32,646	2,692	18,118	11,836
India.....	1,035	2,333	—	3,368	1,200	1,400	768
Indonesia.....	1,306	5,800	—	7,106	950	4,900	1,256
Malaysia.....	22	150	200	372	250	102	20
Philippines.....	447	950	—	1,397	397	550	450
Sri Lanka.....	4	78	—	82	10	66	6
Thailand.....	45	500	—	545	140	342	63
Vietnam.....	—	60	—	60	35	25	—
Yemen Arab Republic.....	—	50	—	50	10	40	—
Total.....	2,859	9,921	200	12,980	2,992	7,425	2,563
New Caledonia.....	—	6	—	6	6	—	—
Papua New Guinea.....	158	900	2	1,060	17	950	193
Total.....	158	906	2	1,066	23	950	193
World Total.....	44,814	82,935	543	128,292	21,420	69,278	37,594

TABLE 5

U.S. IMPORTS OF COFFEE BY TYPES: CALENDAR YEARS 1984 AND 1985
(In 60 Kilogram Bags, green bean equivalent) 1/

	1984				1985			
	Green	Roasted/ Ground	Soluble	Total	Green	Roasted/ Ground	Soluble	Total
COLOMBIAN MILDS								
Colombia.....	2,170,380	33	61,662	2,232,075	2,554,280	562	59,776	2,614,617
Kenya.....	171,478	5	—	171,483	260,188	111	—	260,299
Tanzania.....	9,144	—	433	9,577	17,191	—	—	17,191
Total.....	2,351,002	38	62,095	2,413,135	2,831,659	673	59,776	2,892,107
OTHER MILDS								
Burundi.....	8,729	—	—	8,729	6,933	—	—	6,933
Costa Rica.....	258,329	18,249	—	276,578	359,857	6,343	—	366,200
Dominican Republic...	447,041	520	3,618	451,179	439,037	4,963	498	444,498
Ecuador.....	961,133	50	103,582	1,064,765	974,176	5,271	70,098	1,049,544
El Salvador.....	1,051,744	90	13,680	1,065,514	1,365,968	—	11,766	1,377,734
Guatemala.....	1,118,134	713	2,001	1,120,848	1,053,858	593	1,168	1,055,619
Haiti.....	105,322	2	—	105,324	68,759	12	—	68,771
Honduras.....	285,285	809	—	286,094	262,132	5	1,495	263,631
India.....	153,382	2,168	—	155,550	249,795	345	—	250,140
Jamaica.....	707	605	14	1,326	255	985	—	1,240
Malawi.....	250	—	—	250	—	—	—	—
Mexico.....	1,553,461	175,423	1,741	1,730,625	1,811,897	182,870	801	1,995,568
Nicaragua.....	31,943	—	—	31,943	8,768	89	—	8,957
Panama.....	61,780	—	—	61,780	71,977	10,706	—	82,683
Papua New Guinea.....	65,136	—	—	65,136	47,845	4	—	47,849
Peru.....	556,993	342	264	557,599	543,403	—	—	543,403
Rwanda.....	68,084	—	—	68,084	10,624	—	—	10,624
Venezuela.....	87,831	2,880	—	90,711	106,732	2,775	—	109,507
Zimbabwe.....	22,000	—	—	22,000	9,725	—	—	9,725
Total.....	6,837,284	201,851	124,900	7,164,035	7,391,741	214,961	85,826	7,692,526
UNWASHED ARABICAS								
Bolivia.....	5,668	—	—	5,668	23,041	—	—	23,041
Brazil.....	3,865,701	48,678	826,181	4,740,560	4,148,029	2,562	737,674	4,888,265
Ethiopia.....	423,295	1	260	423,556	194,716	—	—	194,716
Paraguay.....	122,957	—	—	122,957	59,284	—	4,680	63,964
Total.....	4,417,621	48,679	826,441	5,292,741	4,425,070	2,562	742,354	5,169,986
ROBUSTAS								
Angola.....	4,992	—	—	4,992	—	—	—	—
Cameroon.....	80,997	15	—	81,012	91,969	20	—	91,989
Central Afr. Rep.....	5,589	—	—	5,589	—	—	—	—
Guinea.....	12,102	—	—	12,102	2,025	—	—	2,025
Indonesia.....	1,030,232	9,775	—	1,040,007	1,041,202	2,267	—	1,043,468
Ivory Coast.....	1,143,536	—	—	1,143,536	950,931	—	—	950,931
Liberia.....	19,415	—	—	19,415	8,476	—	—	8,476
Madagascar.....	83,573	—	—	83,573	—	5	—	5
Malaysia.....	650	8	—	658	11,249	—	—	11,249
Nigeria.....	4,603	—	—	4,603	—	—	—	—
Philippines.....	295,916	1,309	—	297,225	407,241	—	—	407,241
Sierra Leone.....	139,754	—	—	139,754	—	—	—	—
Sri Lanka.....	5,696	—	—	5,696	4,500	298	—	4,797
Thailand.....	84,138	4	—	84,142	111,882	—	—	111,882
Togo.....	199,686	—	—	199,686	—	—	—	—
Trinidad & Tobago...	4,035	—	—	4,035	3,234	—	—	3,234
Uganda.....	569,927	—	—	569,927	738,743	—	—	738,743
Zaire.....	12,403	29	—	12,432	26,999	—	—	26,999
Total.....	3,697,244	11,140	—	3,708,384	3,398,451	2,590	—	3,401,038
OTHER COUNTRIES 2/.....								
	430,450	22,685	61,139	514,274	651,241	37,188	106,075	794,510
WORLD TOTAL.....	17,733,601	284,393	1,074,575	19,092,569	18,698,162	257,974	994,031	19,950,167

1/ Gross imports before exports and re-exports. Totals may not add due to rounding

2/ Mainly non-producing countries in Western Europe.

SOURCE: USDA
July 1986

Horticultural and Tropical Products Division, FAS/USDA

TABLE 6

EXPORTS BY EXPORTING MEMBERS TO ALL DESTINATIONS

OCTOBER-MAY 1980/81 TO 1985/86

(000 BAGS)

Exporting Member	OCTOBER-MAY						Column (6) as 2 columns 465 (average)
	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
TOTAL	40 571	42 126	42 822	45 044	45 640	45 491*	100
SUB-TOTAL: MEMBERS ENTITLED TO BASIC QUOTA	39 203	40 431	40 915	43 217	43 666	43 059	99
COLOMBIAN MILDS	7 766	7 718	7 540	7 775	8 420	9 371	116
Colombia	6 249	5 960	5 993	6 176	6 763	7 563	117
Kenya	864	1 183	996	1 047	1 113	1 282	119
Tanzania	654	575	551	552	544	526	96
OTHER MILDS	10 011	10 025	10 715	10 934	11 570	11 911	106
Costa Rica	1 073	1 038	1 196	1 221	1 560	1 027	74
Dominican Republic	367	439	339	372	381	295 1/	78
Ecuador	797	863	1 080	861	784	998 1/	121
El Salvador	1 652	1 554	1 506	2 220	1 689	1 992	102
Guatemala	1 446	1 619	1 399	1 432	2 293	1 651	89
Honduras	775	726	839	687	990	953	114
India	986	909	634	698	739	1 000	139
Mexico	1 320	1 249	2 086	1 793	1 886	2 319	126
Nicaragua	669	661	787	516	388	402	89
Papua New Guinea	371	434	360	517	308	404	98
Peru	554	533	488	637	546	870	147
BRAZILIAN & O. ARABICAS	11 899	11 947	12 427	13 495	13 322	11 105	83
Brazil	10 902	11 133	11 423	12 396	12 561	10 270	82
Ethiopia	997	814	1 004	1 100	761	835	90
ROBUSTAS	9 526	10 741	10 232	10 992	10 354	10 673	100
Angola	449	543	338	278	247	276	105
Indonesia	2 021	1 929	2 177	2 894	3 434	2 713	86
OAMCAF	(5 086)	(5 745)	(5 164)	(4 995)	(4 178)	(4 688)	(102)
Benin	3	22	22	34	15	15 1/	60
Cameroon	1 160	1 094	1 164	997	944	1 103	114
Central African Rep.	160	139	168	127	130	143	111
Congo	26	31	18	28	5	9 1/	53
Cote d'Ivoire	2 775	3 640	2 976	3 012	2 469	2 714	99
Cabon	5	9	24	34	2	4	23
Madagascar	833	715	582	554	520	541	101
Togo	123	94	210	209	94	159 1/	105
Philippines	298	299	327	256	358	604	197
Uganda	924	1 321	1 401	1 751	1 296	1 275	84
Zaire	749	904	825	819	841	1 117	135
SUB-TOTAL: MEMBERS EXEMPT FROM BASIC QUOTA	1 368	1 695	1 907	1 827	1 974	2 432	128
ARABICAS	1 017	1 238	1 467	1 421	1 511	1 942	132
Bolivia	58	65	57	31	53	62	147
Burundi	74	300	299	346	353	372 1/	106
Cuba	146	167	194	93	131	88	79
Haiti	211	202	358	316	274	246	83
Jamaica	8	12	11	13	9	10	91
Malawi	6	7	7	6	14	30	297
Panama	57	64	76	66	85	110	146
Paraguay	91	88	95	90	86	127	144
Rwanda	267	257	281	288	300	453	154
Venezuela	22	17	7	73	85	313	397
Zambia	0	0	0	0	1	2	400
Zimbabwe	77	60	82	99	122	130	119
ROBUSTAS	351	457	440	406	463	490	113
Equatorial Guinea				18	6	7 1/	60
Chana	19	9	6	10	2	4 1/	58
Guinea	13	11	35	21	0	23 1/	219
Liberia	89	98	101	60	83	96	135
Nigeria	0	28	30	28	16	3 1/	15
Sierra Leone	135	133	64	134	83	39 1/	36
Sri Lanka	8	58	41	52	44	69	143
Thailand	60	94	142	79	217	237	160
Trinidad & Tobago	27	26	19	3	13	13 1/	159
BRAZIL	10 902	11 133	11 423	12 396	12 561	10 270	82
COLOMBIA	6 249	5 960	5 993	6 176	6 763	7 563	117
ALL OTHER ARABICAS	13 543	13 835	14 733	15 074	15 500	16 496	108
ROBUSTAS	9 877	11 198	10 673	11 399	10 816	11 162	100

A blank denotes that the information was not provided by the Member

Due to rounding the totals may not always reflect the sum of the relevant components

* Preliminary

1/ Includes estimates for May 1986

TABLE 7
UNIT VALUE OF EXPORTS (F.O.B.) OF ALL FORMS OF COFFEE
BY EXPORTING MEMBERS TO ALL DESTINATION
IN CONSTANT 1990 TERMS

SEPTEMBER 1980 TO 1985

(U.S. CENTS PER LB.)

EXPORTING MEMBER	SEPTEMBER					
	1980	1981	1982	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
AVERAGE ALL EXPORTING MEMBERS	131.80	97.27	112.09	122.24	144.39	124.32
MEMBERS ENTITLED TO A BASIC QUOTA	132.04	96.70	112.04	121.80	144.35	124.56
COLOMBIAN MILDS	171.86	130.10	138.16	142.15	162.60	150.92
Colombia	180.11	131.27	147.87	141.55	162.82	154.62
Kenya	136.45	136.15	114.59	156.29	166.43	150.36
Tanzania	121.25	112.64	114.09	130.60	151.48	130.03
OTHER MILDS	118.56	109.93	119.18	116.33	152.04	129.86
Costa Rica	124.38	121.68	120.69	116.70	146.98	124.75
Dominican Republic	101.14	105.47	127.45	138.39	159.34	138.90
Ecuador	96.16	87.15	69.18	109.20	134.59	110.82
El Salvador	117.63	111.49	123.12	125.21	153.98	142.44
Guatemala	120.17	94.57	119.64	133.16	159.14	138.39
Honduras	131.91	109.21	139.10	89.36	122.16	132.38
India	129.10	92.90	118.81	125.15	182.65	109.60
Mexico	123.30	131.87	143.57	128.77	153.69	125.33
Nicaragua	105.19	113.36	121.49	144.87	159.80	155.30
Papua New Guinea	137.45	96.79	111.03	86.74	146.90	155.55
Peru	126.32	114.85	124.55	108.94	148.20	125.93
BRAZILIAN & O. ARABICAS	115.08	79.54	104.69	119.94	137.76	109.79
Brazil	113.72	74.50	102.76	117.57	135.34	107.76
Ethiopia	138.38	136.63	138.37	147.46	162.25	152.00
ROBUSTAS	136.27	83.27	90.34	115.11	132.75	125.34
Angola	167.44	90.61	96.46	150.51	181.48	166.86
Indonesia	119.22	79.63	63.53	94.20	117.36	106.71
OCMCAF	(156.05)	(95.02)	(97.11)	(119.09)	(135.20)	(130.33)
Benin	..	91.72	..	116.82	135.46	138.13
Cameroon	149.27	86.62	109.68	83.17	139.39	140.48
Central African Rep.	141.83	97.30	97.75	126.39	83.87	93.07
Congo	133.29	101.68	82.85	111.76	132.51	126.98 1/
Ivory Coast	164.76	96.53	85.56	124.17	125.23	136.47
Gabon	115.32	86.53	50.80	101.85	128.70	149.29
Madagascar	130.97	92.61	94.62	122.61	158.94	109.86
Togo	131.32	98.37	102.76	120.06	135.40	109.85
Philippines	136.73	100.14	97.84	118.59	126.02	111.22
Uganda	123.70	78.82	93.29	120.48	148.90	127.18 1/
Zaire	75.65	73.25	121.85	123.57	160.17	101.56
MEMBERS EXEMPT FROM BASIC QUOTAS	125.79	110.40	113.58	130.40	145.29	120.53
ARABICAS	124.16	116.78	120.77	137.10	145.13	133.28
Bolivia	97.09	130.43	134.33	154.02	92.93	104.60 1/
Burundi	106.12	121.59	113.32	..	165.84	143.68
Cuba	..	..	..	..	154.86	155.37
Haiti	114.95	89.00	106.05	110.75	142.14	137.71
Jamaica	315.27	127.16	218.86	248.11	196.76	470.85
Malawi	115.14	123.83	81.65	118.97	119.13	122.47
Panama	123.79	113.80	133.25	137.31	153.77	141.06
Paraguay	221.74	105.86	110.57	129.16	135.98	111.54
Rwanda	123.26	122.16	137.16	140.44	154.33	123.74
Venezuela	..	..	..	140.44	155.10	141.20
Zambia	..	..	..	..	..	135.47
Zimbabwe	126.83	112.42	147.81	143.40	163.63	159.24
ROBUSTAS	136.64	90.29	99.64	123.15	147.16	93.08
Equatorial Guinea	..	..	..	..	141.36	86.02 1/
Ghana	167.36	61.05	87.23	119.59	151.40	129.39 1/
Guinea	..	97.38	109.66	..	..	..
Liberia	128.37	98.27	109.55	134.38	167.51	116.61
Nigeria	..	..	87.21	105.86	..	..
Sierra Leone	85.96	56.80	92.31	126.56	..	151.92 1/
Sri Lanka	..	79.05	96.36	120.47	..	108.05
Thailand	63.71	96.52	..	113.39	133.89	75.56
Trinidad & Tobago	272.77	90.20	154.09	109.49	700.63	458.09

Note: Unit value in current terms deflated by the U.N. index of unit values of exports of manufactured goods from developed market economies.

A blank denotes that the information was not provided by the Member. No exports
1/ Estimated.

DISAPPEARANCE IN IMPORTING MEMBER COUNTRIES
JANUARY-DECEMBER 1980 TO 1985
(in thousands of 60 kilo bags)

Notes: Disappearance is derived on the basis of the data on net imports of all forms of coffee adjusted for changes in visible inventories. Figures are adjusted for net exports by Singapore if necessary. Due to rounding the totals may not always reflect the sum of the relevant components. * Preliminary. 1/ Estimated.

Source: International Coffee Organization, document EB 2709/86, April 26, 1986.

TABLE 9

UNIT VALUE IF IMPORTS (C.I.F.) OF ALL FORMS OF COFFEE
BY IMPORTING MEMBERS FROM ALL SOURCES
IN CONSTANT 1980 TERMS
SEPTEMBER 1980 TO 1985

(US cents per lb)

Importing Member	September					
	1980	1981	1982	1983	1984	1985
<u>AVVERAGE ALL IMPORTING MEMBERS</u>	<u>159.26</u>	<u>125.35</u>	<u>132.09</u>	<u>140.17</u>	<u>162.58</u>	<u>148.66</u>
<u>U.S.A.</u>	<u>154.83</u>	<u>123.54</u>	<u>130.96</u>	<u>139.39</u>	<u>164.96</u>	<u>144.95</u>
<u>E.E.C.</u>	<u>159.26</u>	<u>123.83</u>	<u>130.25</u>	<u>140.51</u>	<u>160.14</u>	<u>151.00</u>
Belgium/Luxembourg	176.99	132.83	135.88	149.63	169.92	161.24
Denmark	158.03	121.85	130.33	138.85	162.81	149.39
France	153.74	113.04	119.88	137.74	160.89	145.77
Germany, F.R. of	153.13	133.11	138.31	141.93	161.61	153.41
Greece	167.41	125.15	134.73	136.89	137.16	148.07
Ireland	173.53	146.70	161.35	148.14	160.19	164.76
Italy	169.06	130.47	124.77	135.51	155.34	156.03
Netherlands	170.41	130.41	142.84	141.93	166.36	152.70
Portugal	159.35	119.84	131.77	122.33	124.20	130.38
Spain 2/	162.10	112.18	120.75	150.98	144.34	139.44
United Kingdom	137.07	104.59	115.47	134.94	166.52	149.49
<u>Other importing Members</u>	<u>164.66</u>	<u>131.39</u>	<u>138.09</u>	<u>140.49</u>	<u>164.10</u>	<u>150.17</u>
Australia 2/	159.59	137.54	120.16	139.03	154.24	148.43
Austria	161.05	138.24	152.88	140.80	161.30	155.93
Canada	162.05	132.62	140.38	157.71	174.66	151.03
Cyprus	140.18	174.13	182.68	146.87	147.02	145.11
Fiji	150.76	160.43	168.91	246.47	159.25	357.89
Finland	185.90	155.25	149.13	146.77	178.05	160.07
Japan	164.16	123.80	135.49	143.33	165.45	147.06
New Zealand	134.81	85.78	114.07	133.15	148.59	134.41
Norway	193.91	137.98	148.55	147.83	169.95	145.11
Singapore	111.92	115.05	117.12	133.15	143.61	147.76
Sweden	163.78	126.39	140.95	148.33	174.88	152.91
Switzerland	177.92	145.23	139.90	149.45	164.02	162.75
Yugoslavia	157.89	98.87	140.73	70.62	133.04	127.94

Note: Unit value in current terms deflated by the U.N. index of unit values of exports of manufactured goods from developed market economies.

* Preliminary

1/ Estimated

2/ F.o.b.

Source: International Coffee Organization

July 1986

Horticultural and Tropical Products Division, FAS/USDA

TABLE 10

1986 100 COMPOSITE INDICATOR PRICE (1979 AGREEMENT)
(U.S. CENTS PER POUND)

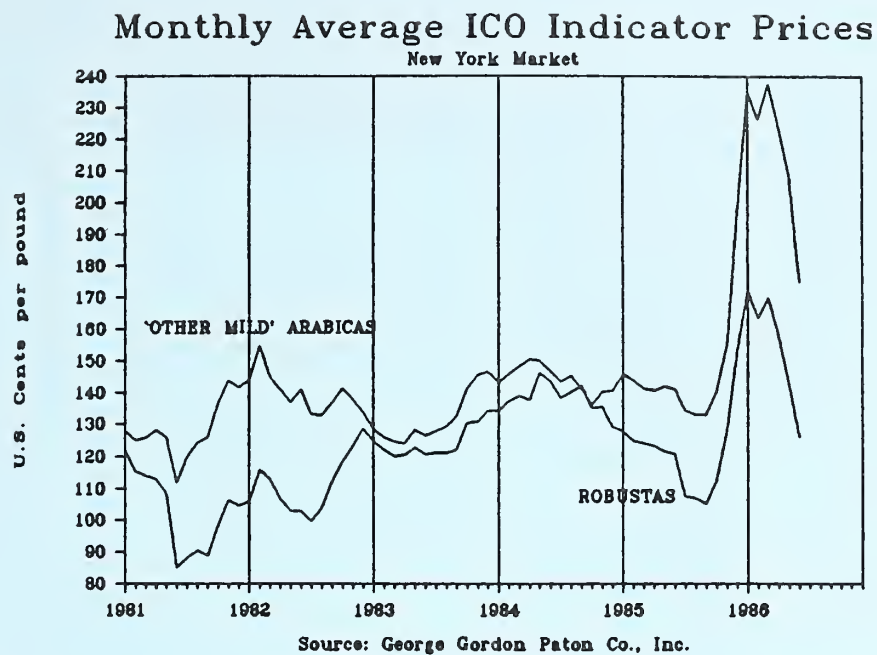
Date	Daily											15-Day Moving Average				
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Day	Jan.	Feb.	Mar.	Apr.	May	Jun.	Day	Jan.	Jun.
1.....	---	---	---	197.39	193.37	---	1.....	---	---	---	202.72	192.20	---	---	---	---
2.....	221.27	---	---	194.52	192.69	153.36	2.....	186.52	---	---	201.65	192.27	169.85	---	---	---
3.....	220.64	175.99	198.62	190.92	---	157.78	3.....	190.60	192.19	199.63	200.42	---	168.58	---	---	---
4.....	---	170.88	209.80	188.93	---	157.75	4.....	---	189.46	200.58	199.15	---	167.40	---	---	---
5.....	---	185.24	207.79	---	---	192.65	5.....	---	188.33	201.30	---	---	166.21	---	---	---
6.....	223.03	187.19	210.11	---	187.17	160.94	6.....	194.69	187.69	202.27	---	192.42	165.00	---	---	---
7.....	233.93	191.94	207.24	189.59	185.92	---	7.....	199.78	187.14	203.68	197.99	192.32	---	---	---	---
8.....	226.17	---	---	189.63	184.53	---	8.....	203.93	---	---	197.22	192.01	---	---	---	---
9.....	220.44	---	---	187.78	184.59	154.82	9.....	207.14	186.96	205.54	196.24	191.60	163.35	---	---	---
10.....	227.05	195.54	207.79	189.71	---	153.45	10.....	210.34	187.28	206.61	195.38	---	162.13	---	---	---
11.....	---	197.11	210.44	191.54	---	151.01	11.....	---	187.51	207.30	194.52	---	160.96	---	---	---
12.....	---	195.58	209.47	---	176.83	151.85	12.....	---	187.13	207.88	---	190.69	159.54	---	---	---
13.....	209.12	186.08	208.00	---	175.49	152.88	13.....	212.13	185.92	208.29	193.73	188.51	158.27	---	---	---
14.....	211.70	179.80	206.89	190.47	178.95	---	14.....	213.67	---	---	193.14	187.29	---	---	---	---
15.....	202.25	---	---	186.50	179.04	---	15.....	213.54	---	---	192.64	186.28	---	---	---	---
16.....	196.80	---	---	187.99	179.54	149.94	16.....	212.76	---	---	207.64	182.88	155.89	---	---	---
17.....	200.26	---	---	189.24	---	151.30	17.....	212.44	---	---	191.29	---	155.08	---	---	---
18.....	---	---	201.26	190.80	---	154.77	18.....	---	---	---	---	181.62	154.69	---	---	---
19.....	---	199.14	202.46	---	171.87	155.61	19.....	---	---	---	---	---	---	---	---	---
20.....	198.16	199.33	204.39	---	168.51	153.84	20.....	212.75	186.10	206.65	---	184.69	154.83	---	---	---
21.....	192.38	200.65	202.28	190.41	173.10	---	21.....	212.43	189.23	205.94	190.36	181.62	---	---	---	---
22.....	192.01	---	---	192.27	171.93	---	22.....	211.69	---	---	190.02	180.19	154.37	---	---	---
23.....	191.72	---	---	194.85	170.29	148.52	23.....	209.72	---	---	190.04	178.69	153.44	---	---	---
24.....	198.02	211.06	195.47	197.32	---	143.80	24.....	208.21	191.33	205.73	190.47	---	152.23	---	---	---
25.....	---	210.91	195.38	194.77	---	139.59	25.....	---	193.66	204.77	190.86	---	150.90	---	---	---
26.....	---	209.03	198.06	---	---	141.20	26.....	---	196.20	204.12	---	---	149.45	---	---	---
27.....	199.65	209.96	202.28	---	166.62	139.17	27.....	206.65	197.85	203.60	---	176.96	---	---	---	---
28.....	191.24	207.28	---	195.75	167.00	---	28.....	203.80	199.19	---	191.27	175.61	---	---	---	---
29.....	176.33	---	---	195.60	159.40	---	29.....	200.48	---	---	191.67	173.85	---	---	---	---
30.....	176.62	---	---	192.06	155.85	141.32	30.....	197.56	---	---	191.95	171.93	148.55	---	---	---
31.....	179.58	---	204.23	---	---	---	31.....	194.39	---	204.92	---	---	---	---	---	---
Ave.	204.02	191.11	204.23	191.73	176.92	154.14	Ave.	205.25	189.81	204.92	194.31	185.43	158.41	---	---	---

Note: Dashes denote weekends and holidays.

July 1986

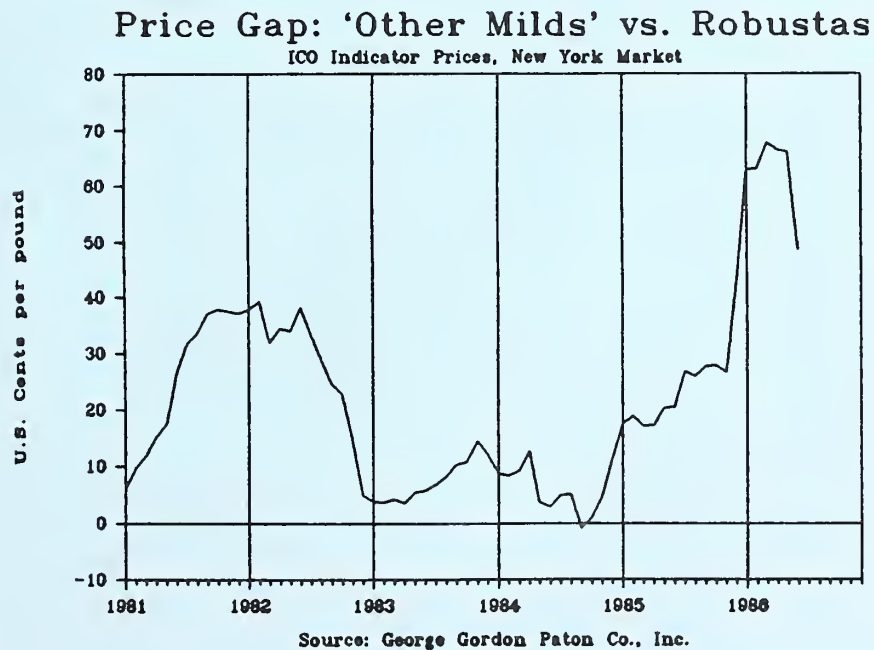
Horticultural and Tropical Products Division, FAS/USDA

GRAPH 1



July 1986 Horticultural and Tropical Products Division, FAS/USDA

GRAPH 2



July 1986 Horticultural and Tropical Products Division, FAS/USDA

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